MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2015/2016

DFA5018 – FINANCIAL ACCOUNTING 1

(For Diploma Students Only)

06 OCTOBER 2015
9.00 a.m – 12.00 p.m
(3 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of six (6) pages only excluding the cover page.
2. There are **FOUR (4)** questions. The distribution of marks for each question is given.
3. Answer **ALL** questions in the answer booklet provided.

QUESTION 1

Part A

Zamarul is the owner of Zamarul Rashid Chartered Accountant Services. During the first month of the operation of his business, the following events and transactions occurred.

Apr	1	Invested RM30,000 cash in the business.
	2	Hired an audit assistant at a salary of RM300 per week payable monthly.
	3	Paid office rent for the month RM800.
	6	Purchased office supplies on account from Hang Tuah & Co RM1,500.
	10	Completed paper work and billed client RM900 for services.
	11	Received RM500 cash advance from Merak Mas Sdn Bhd for next year's audit fee.
	20	Received RM1,500 cash from Maju Jaya Berhad for services completed.
	25	Paid salary to audit assistant for the month RM1,200.
	30	Paid RM600 to Hang Tuah & Co for accounts payable due.

Instructions

(a) Journalize the transactions. (8 Marks)

(b) Post to the ledger accounts. (8 Marks)

(c) Prepare Trial Balance for Zamarul Rashid Chartered Accountant Services as at 30 April 2015. (5 Marks)

Part B

Generally accepted accounting principles (GAAP) are a common set of guidelines (standards) used by accountants.

Instructions

(a) Identify and explain TWO (2) principles under building blocks of accounting. (2 Marks)

(b) Identify and explain TWO (2) assumptions that can be highlighted under GAAP. (2 Marks)

[TOTAL 25 MARKS]

Continued.....

QUESTION 2

Andy is the owner of Glory Rich Enterprise, which was started its business on 1 February 2015. Its trial balance before adjustment on February 28 was as follows:-

Glory Rich Enterprise
Trial Balance
28 February 2015

	Debit (RM)	Credit (RM)
Cash	15,600	
Supplies	3,300	
Prepaid Insurance	6,000	
Account Receivable	4,000	
Land	30,000	
Buildings	120,000	
Furniture	27,000	
Accounts Payable		6,500
Unearned Rent Revenue		7,400
Mortgage Payable		80,000
Andy, Capital		100,000
Andy, Drawing	4,000	
Rent Revenue		80,000
Repair Expense	3,600	
Salaries Expense	51,000	
Utilities Expense	9,400	
	RM 273,900	RM 273,900

Other data

1. Insurance expires at the rate of RM400 per month.
2. One of the staff used supplies RM600 but forgot to record.
3. Depreciation on buildings and furniture for the month. The estimated useful life of the building is 20 years and furniture is 5 years.
4. Unearned rent revenue of RM4,200 was earned prior to February 28.
5. Salaries of RM400 were unpaid at February 28.
6. Rentals of RM1,000 were due from tenants at February 28.

Instructions

(a) Journalize the adjusting entries on February 28. (7 Marks)

(b) Prepare an adjusted trial balance as at February 28. (13 Marks)

(c) Prepare statement of comprehensive income for the month ended February 28. (5 Marks)

[TOTAL 25 MARKS]

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QUESTION 3

Part A

Vital Care Sdn Bhd just received Bank Statement for January 2015 from Maybank. To prepare the bank reconciliation, you gather the following data.

Additional data for the bank reconciliation:

1. The January 31, 2015 bank balance is RM12,209.

2. The Bank Statement includes two charges for NSF cheques from customers. One is for RM67 and the other for RM195.

3. The following Vital Care Sdn Bhd cheques are outstanding at January 31, 2015:

Check No.	Amount (RM)
79500	400.00
80200	79.00
80600	37.00
80900	160.00
81000	229.00
81100	48.00

4. Vital Care Sdn Bhd collects from a few customers by EFT. The Maybank statement lists a RM200 EFT deposit for a collection on account.

5. The Bank Statement includes two special deposits that Vital Care Sdn Bhd has not recorded yet: RM900, for dividend revenue, and RM16, the interest revenue Vital care Sdn Bhd earned on its bank balance during January.

6. The Bank Statement lists a RM7 subtraction for the service charge.

7. On January 31, 2015, Vital Care Sdn Bhd treasurer deposited RM331, but this deposit does not appear on the Bank Statement.

8. The Bank Statement includes a RM460 deduction for a cheque drawn by Vital Care Sdn Bhd. Vital Care Sdn Bhd notified the bank of this bank error.

9. Vital Care Sdn Bhd cash account shows a balance of RM11,200 on January 31, 2015.

Continued.....

Instructions

(a) Prepare the Bank Reconciliation Statement for Vital Care Sdn Bhd as at January 31, 2015. (9 Marks)

(b) Prepare any adjusting entries necessary as a result of the bank reconciliation. (5 Marks)

Part B

Yoahan Enterprise uses an imprest petty cash system. The fund was established on June 1 with a balance of RM200. During June the following petty cash receipts were found in the petty cash box.

Date	Receipt No.	For	Amount
June 5	1	Stamp Inventory	RM74
7	2	Freight-Out	42
9	3	Miscellaneous Expense	22
11	4	Travel Expense	49

The fund was replenished on June 15 when the fund contained RM9 in cash. On June 20, the amount in the fund was increased to RM300.

Instructions

(a) Journalize the entries in June that pertain to the operation of the petty cash fund. (5 Marks)

(b) Briefly explain a petty cash fund. (2 Marks)

Part C

Accounting standard setting bodies are national or international organizations that have been delegated responsibility for setting Generally Accepted Accounting Principles (GAAP) by statute in a country or jurisdiction.

Instruction

List down the accounting standard setting bodies. (4 Marks)

[TOTAL 25 MARKS]

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QUESTION 4

Part A

Howard & Co has the following internal control procedures over cash disbursement.

1. Employees who receive shipments of goods do not have access to the accounting records for merchandise.
2. Treasurer compares total receipts to bank deposits daily.
3. Use remittance advice and cash register tapes.
4. The locked warehouse is accessible only by warehouse employees with keys.
5. All employees who handle or record cash are bonded.

Instruction

Identify the internal control principle that is applicable to each procedure. (5 Marks)

Continued.....

Part B

Queen Hotel's Trial Balance before adjustment on 31 December 2014 is as follows:

Queen Hotel
Unadjusted Trial Balance
December 31, 2014

	Debit (RM)	**Credit (RM)**
Cash	7,500	
Account Receivable	8,000	
Supplies	10,000	
Equipment	26,000	
Accumulated Depreciation – Equipment		7,800
Prepaid Insurance	3,000	
Unearned Rental		8,000
Account Payable		11,500
Capital		10,000
Drawing	1,500	
Rental Revenue		31,000
Salary Expenses	2,000	
Utility Expenses	2,500	
Rent Expenses	5,500	
Interest Expenses	1,500	
Stationery Expenses	800	
TOTAL	**68,300**	**68,300**

Additional transactions:

1. RM1,000 of supplies has been used during the period.
2. Depreciation of equipment for period is RM650.
3. Salaries of RM2,500 are accrued at 31 December 2014.
4. Unearned rental of RM2,000 has been earned.
5. Prepaid insurance consist of a two years policy purchased on 01 July 2014.
6. Utilities expenses of RM300 are accrued at 31 December 2014.
7. Estimated federal income taxes for the year is RM2,500

Instruction

Based on the above information, prepare a complete worksheet. (20 Marks)

[TOTAL 25 MARKS]

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